

*Canada Pension Plan*

Canada today who are not drawing one dollar of pension although they have contributed to such a pension under the armed forces scheme with matching contributions from their employer. This retirement test is a very discriminatory one. It does not apply if such retired persons seek employment in private industry. Representations have been made with regard to the matter, and I am sure they are being considered by responsible people in the government.

There will be an alleviation of this situation in the future to the extent that it is possible to substitute a Canada pension plan component for a portion of the service pension. That Canada pension plan component would be completely portable. It would apply equally in government of Canada subsequent employment or in private subsequent employment. It would go some way toward alleviating what I consider to be a rather substantial inequity in the present arrangements.

**Mr. Monteith:** I should like to say that we are in agreement with the amendment put forward by the government. Discussion took place in the committee with regard to these two particular groups of government employees, one might say. I understand the difficulties that are involved, but I believe this is probably the best way to go about the matter. If it can be determined at a subsequent time that they can be integrated, then by the amendment we are leaving the door open for their inclusion. We are going one step further in making it possible to provide a large group of Canadian citizens with coverage under the plan, and we feel this is a good thing.

**Mr. Herridge:** Mr. Chairman, I have been looking at the various sections trying to find an appropriate place to ask the minister a question, and I judge this section to be as appropriate as any. Would the minister mind explaining just what procedure is used in dealing with company pension plans and their possible integration with this plan? Just how will the company and the employees proceed to this end?

**Miss LaMarsh:** I am not so sure this matter is appropriate here, but perhaps I can give a very brief answer. The jurisdiction of the federal government, of course, does not run to interference with private pension plans which have been negotiated between employees and an employer or which have been purchased by an individual from a private carrier.

However, since announcing the Canada pension plan about two years ago the federal

government, through the Department of Insurance, has been doing a great deal of work on the question of integration. The first thing realized was that much of the lead throughout the country would be taken from the federal government in respect of its attitude qua employment inasmuch as it is the biggest employer in Canada. It was anticipated that the attitude which the federal government would take toward its own civil servants' plan might set a pattern. Accordingly, very intensive work has been done in this regard. The staff associations were consulted. A particular individual in the Department of Finance has had charge of this matter. The house was informed by the parliamentary secretary to the Minister of Finance at the resolution stage, I believe, that agreement had been reached.

We have had some discussion in the house in the last week about the way in which plans are to be integrated. Many of the private plans are trust operated plans which are administered by trust companies throughout Canada. I am informed that approximately 75 per cent of the private plans are administered by trust companies. It might be noted that no trust company appeared before the pension committee, nor has any one of them made a public outcry. Indeed, the trust companies have offered the government their assistance in order that there should be less disruption in the integration of private and government plans.

About 25 per cent of the private plans are held through insurance companies. The individual in the federal government who has been responsible for the integration problem has travelled across the country, dealing in particular with provincial governments which have special problems, such as teachers, municipal employees and other classes of provincial civil servants. We are informed that these meetings have gone very smoothly, and the way in which these plans might be integrated has been dealt with in detail to the satisfaction of all concerned.

Now, the federal government cannot direct what happens, and it will be appreciated that there are different approaches. In some cases where the plans are not particularly good it might be considered by the employers and employees that they would stack this government plan on their private pension plan so the workers could look forward to benefits both from their private plan and under the Canada pension plan. In other instances it may be that the rate will be changed so the person will receive richer